



City of San Antonio

Legislation Details (With Text)

File #:	19-2330		
Type:	Staff Briefing - Without Ordinance	In control:	Comprehensive Plan Committee
On agenda:	3/20/2019		
Title:	Resolution of No Objection for Pedcor Investments, LLC's application to the Texas Department of Housing and Community Affairs non-competitive 4% Housing Tax Credits program for the construction of Canyon Pass Apartments, a 288 unit multi-family rental housing development, located at approximately 25601 Overlook Parkway in City Council District 9. [Peter Zaroni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]		
Sponsors:			
Indexes:			
Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 9

SUBJECT:

Consideration of a Resolution of No Objection for Pedcor Investments, LLC's application to the Texas Department of Housing and Community Affairs for the non-competitive 4% Housing Tax Credits program.

SUMMARY:

Pedcor Investments, LLC is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the development of Canyon Pass Apartments, 288-unit affordable multi-family rental housing development located at approximately 25601 Overlook Parkway in Council District 9.

BACKGROUND INFORMATION:

The Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit (HTC) program is

one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households in the state of Texas. Housing Tax Credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.

The TDHCA administers two HTC programs: a Competitive 9% and Non-Competitive 4%. Canyon Pass Apartments is applying for the Non-Competitive 4% HTC program which is available year round unlike the Competitive 9% HTC program which has a single annual application period. The Competitive 9% HTC program assigns points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), but the Non-Competitive 4% Housing Tax Credit only require that a Resolution of No Objection be submitted to satisfy requirements of §11.204(4)(C) of the TDHCA's Uniform Multifamily Rules.

In order to qualify to receive a Resolution of No Objection, the application must earn at least 50 out of 100 points from the City's scoring criteria outlined in the Low Income Housing Tax Credit Policy adopted by City Council December 14, 2017.

ISSUE:

Pedcor Investments, LLC is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for the Non-Competitive 4% Housing Tax Credits (HTC) program for the development of the Canyon Pass Apartments, a 288-unit multi-family rental housing development located at approximately 25601 Overlook Parkway in Council District 9. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 9. The applicants met with the Council District 9 office to provide all pertinent information regarding the proposed Canyon Pass Apartments HTC project.

Any application earning between 50 and 100 points shall be eligible to receive a staff recommendation for a Resolution of No Objection, provided the application receives at least seven experience points under the Owner/General Partner/Property Management Experience category. Canyon Pass Apartments received 15 experience points, and 51 points in total and is eligible to receive a Resolution of No Objection.

The value of the TDHCA tax credit award to Canyon Pass Apartments would be approximately \$18 million over a ten year period. The total construction cost for this project will be approximately \$55.2 million. Of the 288-units, all will have rent restricted to 60% and below of area median income as defined by TDHCA's Rent and Income Limit tool using HUD data (e.g. a family of four will have a maximum income of \$40,080). The 4% application is anticipated to be considered by the TDHCA Governing Board in the December 2019. If approved, the estimated construction start date will be in February 2020 and the estimated project completion is October 2022.

This project may partner in the future with the San Antonio Housing Trust Public Facility Corporation/ Finance Corporation.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	108	\$695	60% and below
Two Bedroom	144	\$895	60% and below
Three Bedroom	36	\$967	60% and below

ALTERNATIVES:

Comprehensive Plan Committee may elect not to forward this item to City Council which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

This authorizes Resolution for multifamily rental housing development projects by applicants seeking Non-Competitive 4% Housing Tax Credits with the Texas Department of Housing and Community Affairs for the 2019 program. There is no fiscal impact to the FY 2019 general fund.

RECOMMENDATION:

Staff recommends forwarding this item to the full City Council for consideration of a Resolution of No Objection for the development of Canyon Pass Apartments, a 288-unit multi-family rental housing development located at approximately 25601 Overlook Parkway in San Antonio, Texas.